

**TOWN OF ERIE
BOARD OF TRUSTEES REGULAR MEETING 1
Tuesday, October 28, 2014
6:30 p.m.
Board Room, Erie Town Hall, 645 Holbrook, Erie, CO 80516**

I. CALL MEETING TO ORDER

Mayor Harris called the October 28, 2014 Regular Meeting of the Board of Trustees to order at 6:30 p.m.

II. PLEDGE OF ALLEGIANCE AND ROLL CALL

Roll Call:	Trustee Carroll	Present
	Trustee Schutt	Present
	Mayor Pro Tem Gruber	Present
	Trustee Moore	Present
	Trustee Charles	Present
	Trustee Woog	Present
	Mayor Harris	Present

III. APPROVAL OF THE AGENDA

Action: Trustee Carroll moved to approve the October 28, 2014 agenda with the amendment of moving items c., d., and e. from VII. Resolutions to IV. Consent; the motion was seconded by Trustee Charles. The motion carried with all present voting in favor thereof.

IV. CONSENT AGENDA

- a. Approval of the October 14, 2014 Meeting Minutes
- b. Resolution 14-114; A Resolution Making Certain Findings Of Fact And Conclusions Favorable to Canyon Creek Subdivision Filing No. 5, 1st Amendment Preliminary Plat; Imposing Conditions Of Approval; Approving The Canyon Creek Subdivision Filing No. 5, 1st Amendment Preliminary Plat With Conditions; And Setting Forth Details In Relation Thereto.
- c. Ordinance 34-2014; An Ordinance Of The Town Of Erie, Colorado, Approving Canyon Creek PD Amendment No. 7; Making Findings Supporting Canyon Creek PD Amendment No. 7; And, Setting Forth Details In Relation Thereto.
- d. Resolution 14-118; A Resolution Awarding a Service Contract for Water Systems Leak Detection Services
- e. Resolution 14-119; A Resolution Awarding a Service Contract for Annual Special Event/Program Staff Clothing and Uniforms

CONSENT AGENDA (continued)

- f. **Resolution 14-120; A Resolution Awarding a Service Contract for Ground Engineering for Materials Testing for Police Station Construction**

Action: Trustee Schutt moved to approve the October 28, 2014 Consent Agenda as amended; the motion was seconded by Trustee Charles. The motion carried all present voting in favor thereof.

V. PUBLIC COMMENT

Kyle Roth, 2829 Prince Circle, Erie, CO.; spoke against the passage of Ordinance 35-2014.
Liz Fisher, 635 Moffat Street, Erie, CO. spoke against the passage of Ordinance 35-2014.
Ray Schlott, 255 Meadow View Pkwy., Erie, CO. spoke on behalf of proposed Ordinance 36-2014.
Judy Bradford, 1923 Briarwood Place, Erie, CO. spoke against Ordinance 36-2014.
Lauren Ely, 2547 Wisteria Drive, Erie, CO. spoke against the passage of Ordinance 35-2014.
Jeremy Gosse, 222 Smith Circle, Erie, CO. spoke against the passage of Ordinance 35-2014.

VI. RESOLUTIONS

- a. **Resolution 14-112: A Resolution of the Board of Trustees of the Town of Erie, Colorado Disapproving the Service Plan for the Wise Farm Metropolitan Districts No. 1 and 2.**

At the October 14, 2014 Board of Trustees meeting, the Board of Trustees directed staff to provide a resolution disapproving the Wise Farms Metropolitan District Nos. 1 and 2.

Action: Mayor Pro Tem Gruber moved to approve Resolution 14-112 "Disapproving the Service Plan for the Wise Metropolitan District Nos. 1 and 2. The motion was seconded by Trustee Moore; the motion failed with a three (3) for and four (4) against, with Mayor Harris; Mayor Pro Tem Gruber and Trustees Woog and Schutt voting no.

Action: Mayor Pro Tem Gruber moved to approve Resolution 14-112 "Approving the Service Plan for the Wise Metropolitan District Nos. 1 and 2. The motion was seconded by Trustee Schutt; the motion carried with a five (5) for and two (2) against vote, with Trustees Moore and Carroll voting no.

- b. **Resolution 14-113; A Resolution of the Board of Trustees of the Town of Erie, Colorado Disapproving the Service Plan for the Redtail Ranch Metropolitan District**

At the October 14, 2014 Board of Trustees meeting, the Board of Trustees directed staff to provide a resolution disapproving the Redtail Ranch Metropolitan District..

Action: Trustee Charles moved to approve Resolution 14-113 "Disapproving the Service Plan for the Redtail Ranch Metropolitan District. The motion was seconded by Trustee Schutt; the motion failed with a three (3) for and four (4) against, with Mayor Harris; Mayor Pro Tem Gruber and Trustees Woog and Schutt voting no.

RESOLUTIONS (continued)

Action: Mayor Pro Tem Gruber moved to approve Resolution 14-113 "Approving the Service Plan for the Redtail Ranch Metropolitan District. The motion was seconded by Trustee Schutt; the motion carried with a four (4) for and three (3) against vote, with Trustees Moore, Charles and Carroll voting no.

Action: Mayor Harris called for a break at 7:55 p.m. and reconvened the meeting at 8:05 p.m.

c. Resolution 14-121; A Resolution Approving the Purchase of a Clay Liner for the North Water Reclamation Reuse Reservoir Project

Gary Behlen, Director of Public Works, presented staff recommendations for the approval of Resolution 14-121. The North Water Reclamation Facility Reuse Reservoir repair project was one of the projects originally identified as part of the FEMA recovery effort, 75% funded by FEMA 12.5% funded by the State of Colorado and the Town will be responsible for 12.5% to make necessary repairs endured from the September 2013 flooding. The original contract work in the amount of \$329,100.00, consisted of repairs that included removal of material, repair of breach, and repair of damage to bank and liner in multiple areas and was awarded to Fiore and Sons at the January 14, 2014 board meeting. After the original repair work was completed, the hydrologic conditions, adjacent to the reservoir are such that the reservoir could not be completely sealed. Town Staff hired Deere and Ault Consultants to review the current hydrologic conditions. Deere and Ault recommended additional work to seal the reservoir to meet the State Dam Engineer's specifications. The Board awarded a change order to Fiore and Sons on September 23, 2014 for the additional work. Staff negotiated with Fiore and Sons to decrease costs for the additional work. The specifications for the additional work called for approximately 7,750 tons of additional clay to seal the reservoir. Fiore and Sons estimated their costs as \$6.00 to \$8.00 per ton to import the clay, depending upon the source. Town staff negotiated a price of \$4.00 per ton from Asphalt Specialties, adjacent to the project. Staff recommends purchase of the required clay from Asphalt Specialties.

Action Trustee Moore moved to approve Resolution 14-121; the motion was seconded by Trustee Charles. The motion carried with the following roll call vote:

Trustee Carroll	Yes
Trustee Charles	Yes
Mayor Pro Tem Gruber	Yes
Trustee Moore	Yes
Trustee Woog	Yes
Trustee Schutt	Yes
Mayor Harris	Yes

d. Resolution 14-122; A Resolution Awarding a Construction Contract for the Leon A. Wurl Service Center Storage Facility

Gary Behlen, Director of Public Works, presented staff recommendations for the approval of Resolution 14-122. The 2014 Public Facilities Capital Budget includes funds for design and construction of a storage facility at the Leon A Wurl Service Center. The facility will be a 32'x32'x16' one story (approximately 1,024 SF) on a concrete slab on grade storage facility for sports equipment at the Leon A Wurl Service Center. The facility will be unheated, wood framed with James Harding siding, painted to match the Service Center and in conformance with the approved existing site development plan. Constructing this storage facility will save the Town \$4,400 per year in storage costs since it will be used to house recreation equipment and future Parks equipment.

RESOLUTIONS (continued)

An Invitation to Bid was posted on the Town's website on July 9, 2014 to ensure that local contractors were notified about this project. There were no attendees for the mandatory pre-bid meeting; therefore the project invitation was cancelled. A second Invitation to Bid was posted on the Town's website on August 12, 2014 without a mandatory pre-bid meeting. One bid was received on August 27, 2014, for \$91,777.24 from The Service Guys. The price is over the allotted budget, for that reason Staff decided not to pursue with award and reassess the project. After reviewing the scope of the project and the fact that contractors were way too busy to bid a small project, staff went back and value engineered the project to not only fit the budget but the needs as well. Staff contacted three different contractors. Staff recommendation is to award the contract to the lowest bidder Rocky Mountain Storage Barns.

Action Mayor Pro Tem Gruber moved to approve Resolution 14-122; the motion was seconded by Trustee Charles. The motion carried with the following roll call vote:

Trustee Moore	Yes
Trustee Woog	Yes
Trustee Carroll	Yes
Trustee Charles	Yes
Trustee Schutt	Yes
Mayor Pro Tem Gruber	Yes
Mayor Harris	Yes

- e. **Resolution 14-123; A Resolution Authorizing the Town of Erie, Colorado, to Enter Into An Option To Purchase Agreement For the Purchase of aa Approximately 20 Acre Parcel of Real Property Located in the Vicinity of Colorado Highway 7 and Sheridan Parkway, Erie, Colorado; Authorizing and Directing the Appropriate Town Officers to Sign Said Agreement; and, Setting Forth Details in Relation Thereto.**

A.J. Krieger, Town Administrator, presented staff recommendations for the approval of Resolution 14-123. Approval of Resolution 14-123 will authorize execution of an option to purchase agreement. The subject property is an approximately 20 acre piece located at the northwest corner of Highway 7 and Sheridan in the Town of Erie. The option agreement lasts for a 12 month period, and should be sufficient time within which to negotiate a development agreement(s) with a future user(s). The initial cost of the option is \$10,000 and provides for purchase of the parcel for \$3,037,920. Control of the property is a necessary step in the process to eventually secure a new King Soopers store on the site.

Action: Mayor Harris moved to approve Resolution 14-123; the motion was seconded by Mayor Pro Tem Gruber. The motion carried with the following roll call vote:

Mayor Pro Tem Gruber	Yes
Trustee Moore	Yes
Trustee Woog	Yes
Trustee Carroll	Yes
Trustee Charles	Yes
Trustee Schutt	Yes
Mayor Harris	Yes

VII. EXECUTIVE SESSION

- a. **EXECUTIVE SESSION** for a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b); specifically, to receive legal advice concerning an offer of litigation settlement.

Mayor Harris announced its Tuesday October 28, 2014, and the time is 9:30 p.m. For the record, I am the presiding officer, Mayor Tina Harris. As required by the Open Meetings Law, this executive session is being electronically recorded.

Also present at this executive session are the following persons:

Mayor Pro Tem Mark Gruber; Trustees Janice Moore, Dan Woog, Scott Charles, Jennifer Carroll, and Waylon Schutt; Town Administrator A.J. Krieger;; Public Works Director Gary Behlen; Community Development Department Director Marty Ostholthoff; and, Town Attorney Mark Shapiro.

This is an executive session for the following purpose:

For the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b); specifically, to receive legal advice concerning an offer of litigation settlement.

Upon completion of the Executive Session, Mayor Harris announced that the time is now 9:42 p.m., and the executive session has been concluded. The participants in the executive session were:

Mayor Tina Harris, Mayor Pro Tem Mark Gruber; Trustees Janice Moore, Dan Woog, Scott Charles, Jennifer Carroll, and Waylon Schutt; Town Administrator A.J. Krieger;; Public Works Director Gary Behlen; Community Development Department Director Marty Ostholthoff; and, Town Attorney Mark Shapiro.

For the record, if any person who participated in the executive session believes that any substantial discussion of any matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I would ask that you state your concerns for the record.

Seeing none, the next agenda item is a continuation of Resolutions.

RESOLUTIONS (continued)

- i. **Resolution 14-124; A Resolution Authorizing the Town of Erie, Colorado, to Enter Into a Settlement Agreement for the Settlement and Dismissal of the Town of Erie Vs. Morrison and TI Residential, LLC Lawsuit; Authorizing and Directing the Appropriate Persons to Sign Said Settlement Agreement; and, Setting Forth Details in Relation Thereto.**

Action: Trustee Charles moved to approve Resolution 14-124; the motion was seconded by Trustee Schutt. The motion carried with all present voting in favor thereof.

VIII. ORDINANCES

- a. **Ordinance 35-2014; An Ordinance Of The Town Of Erie, Colorado Amending Title 4, "Business Regulations," Of The Erie Municipal Code Of The Town Of Erie, Colorado By Adding A New Chapter 11, "Retail Marijuana Business Prohibition," Prohibiting Marijuana Cultivation Facilities, Marijuana Product Manufacturing Facilities, Marijuana Testing Facilities, And Retail Marijuana Stores In The Town; And, Setting Forth Details In Relation Thereto SECOND READING**

Colorado voters approved an amendment to the State Constitution, Article XVIII, Section 16, which allows in part for the retail sale and cultivation of marijuana in the State of Colorado, Article XVIII, Section 16, of the Colorado Constitution authorizes local governments, such as the Town of Erie, to "prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities or retail marijuana stores through the enactment of an ordinance. Ordinance 35-2014 amends Title 4, "Business Regulations," of the Erie Municipal Code of the Town of Erie, Colorado by adding Chapter 11, "Retail Marijuana Business Prohibition,"

Action: Trustee Schutt moved to table indefinitely Ordinance 35-2014; the motion was seconded by Trustee Carroll. The motion carried with all present voting in favor thereof.

Action: Trustee Schutt moved to direct staff to bring back an Ordinance to extend the moratorium for one year on retail marijuana and do a survey and research with the other towns nearby that already have retail marijuana sales so that we can get some best practices and comparisons that are more closely related to us and zoning options for retail businesses. The motion was seconded by Trustee Carroll; the motion carried with all present voting in favor thereof.

Action: Trustee Schutt called for an agenda check and general Board consensus was to remove the Executive Session and move it to the November 18, 2014 Special Meeting of the Board of Trustees.

- b. **Ordinance 36-2014; An Ordinance Of The Town Of Erie, Colorado, Amending Title 2, "Revenue And Finance," Chapter 10, "Fee Schedule," Section 4, "Public Works Fees," And Section 6, "Building Permit And Other Fees," Of The Erie Municipal Code; Adopting New Water, Wastewater And Storm Drainage Rates And Fees In Conformance With The Water, Wastewater and Storm Drainage Rate Studies Commissioned And Adopted By The Town; And, Setting Forth Details In Relation Thereto.**

Steve Felten, Director of Finance presented staff recommendations for the approval of Ordinance 36-2014. The Town of Erie Financial Policies requires the Town to have a formal rate study performed on the Water and Wastewater Enterprise Funds at least every five years. The last formal rate study for these funds was conducted in 2008. In 2008, the Board reviewed and adopted the results of those rate studies, setting rates and fees for the period 2009-2013. During 2013, the Town contracted with Willdan Financial Services/Red Oak Consulting ("Willdan") to perform the formal rate study for the Water and Wastewater Funds pursuant to policy. In 2014 staff recommended that the rate study be expanded to include the Storm Drainage Operating Fund, which has not had a rate increase since 2004. The results of the studies were presented to the Board by Willdan and staff and discussed with the Board at study sessions on August 26, 2014 and September 30, 2014. As a result of these study sessions, the Board asked staff to present the results in the form of an ordinance at the October 28, 2014 meeting for the Board's consideration. The assumptions and results of the Water, Wastewater and Storm Drainage Rate Studies are discussed below.

ORDINANCES (continued)

Water Enterprise Fund Rate Study

The goals of the rate study are to determine the revenue needed to cover annual operations and maintenance costs and capital improvement projects, meet debt service requirements, provide for sufficient operating reserves and maintain the utility's self-sufficiency over a 5-year period.

The rate study for the Water Enterprise Fund included the following assumptions:

Residential growth: 400 taps per year

Target Reserves: 90 days of operations

Debt Service Coverage: 1.1x (net revenues divided by annual debt service payment)

The Water Rate Study provides recommendations for changes in the tap fee, the fee in lieu of water dedication (sometimes referred to as the water rights fee) and user rates in order to meet the goals of the study.

Water Tap Fee and Fee in Lieu of Water Dedication: These fees are collected on all new residential and non-residential construction that requires connection to the water system. These fees are a one-time charge to the customer for their proportional share of capacity of the system infrastructure in the case of the water tap fee and annual water requirements in the case of the fee in lieu of water dedication. These fees are used to defray the capital costs of expanding the system facilities and to recover the cost of growth to the system. Below is a schedule of current and proposed water tap fee and fee in lieu of water dedication.

Meter Size	Water Tap Fee		Fee in Lieu of Water Dedication	
	Current	Proposed	Current	Proposed
3/4 inch	\$ 8,680	\$ 10,416	\$ 12,850	\$ 15,300
1 inch	14,470	17,360	(a)	(a)
1 1/2 inch	28,930	34,720	(a)	(a)
2 inch	46,290	55,552	(a)	(a)
3 inch	86,800	104,160	(a)	(a)
4 inch	144,670	173,600	(a)	(a)
6 inch	289,330	347,200	(a)	(a)

(a) Section 8-1-9 of the code defines the manner in which the Town determines the amount of fee in lieu of water dedication

The rate study further recommended that the water tap fee have annual increases for 2016-2019, as follows:

Meter Size	Water Tap Fee				
	2015	2016	2017	2018	2019
3/4 inch	\$ 10,416	\$ 11,582	\$ 12,748	\$ 13,914	\$ 15,080
1 inch	17,360	19,303	21,247	23,190	25,133
1 1/2 inch	34,720	38,607	42,493	46,380	50,267
2 inch	55,552	61,771	67,989	74,208	80,427
3 inch	104,160	115,820	127,480	139,140	150,800
4 inch	173,600	193,033	212,467	231,900	251,333
6 inch	347,200	386,067	424,933	463,800	502,667

ORDINANCES (continued)

Water User Rates: The rate study develops a financial plan and a cost of providing water service to its customers. The financial plan identifies the revenues and expenses over the study period and determines if the current rates generate the revenue necessary to cover operating costs, debt service payments, capital improvement projects, reserve requirements and provide the necessary revenue to meet bond covenants.

The study also develops the cost of service by customer class (residential, commercial and irrigation) and it recognizes the differing service characteristics based on the meter size and service demands. Based on the cost of service information, the study recommends a revised rate structure for water service that includes a monthly service charge and volumetric charge. In addition, the rate study recommended the establishment of an additional customer class – multi-family.

Below are the current (2014) user rates and the proposed user rates for the next five years. No increase is being proposed for the residential monthly service charge for 2015 for customers with a ¾ inch meter size, which includes all but approximately 50 residential customers. The monthly service charge for all other meter sizes will be increased 5% in 2015. In subsequent years the monthly service charge for all meter sizes will increase in line with the overall revenue requirements as determined in the rate study – 2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%. The new multi-family class will be charged the same monthly service charge as the residential class. Commercial and irrigation monthly service charges will increase as follows: 2015 +5%, 2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%.

Meter Size	Water Monthly Service Charge - Residential & Multi-Family					
	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2014	2015	2016	2017	2018	2019
3/4 inch	\$ 25.41	\$ 25.41	\$ 26.68	\$ 28.01	\$ 29.13	\$ 30.00
1 inch	25.41	26.68	28.01	29.41	30.59	31.51
1 1/2 inch	34.78	36.52	38.35	40.27	41.88	43.14
2 inch	56.94	59.79	62.78	65.92	68.56	70.62
3 inch	68.20	71.61	75.19	78.95	82.11	84.57

Meter Size	Water Monthly Service Charge - Commercial & Irrigation					
	Current	Proposed	Proposed	Proposed	Proposed	Proposed
	2014	2015	2016	2017	2018	2019
3/4 inch	\$ 25.41	\$ 26.68	\$ 28.01	\$ 29.41	\$ 30.59	\$ 31.51
1 inch	25.41	26.68	28.01	29.41	30.59	31.51
1 1/2 inch	34.78	36.52	38.35	40.27	41.88	43.14
2 inch	56.94	59.79	62.78	65.92	68.56	70.62
3 inch	68.20	71.61	75.19	78.95	82.11	84.57
4 inch	68.20	71.61	75.19	78.95	82.11	84.57
6 inch	68.20	71.61	75.19	78.95	82.11	84.57

Monthly volume charges will increase as follows for residential and multi-family customers. 2015 Block 1 +2.7%, Block 2 +2.6%, Block 3 +23.3% and Block 4 +23.3%. Blocks 3 and 4 were increased to incent water conservation. In 2016-2019 each block will increase as follows: 2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%. Commercial and irrigation volume rates increase by the same percentages as the monthly service charges.

ORDINANCES (continued)

Usage Block	Water Monthly Volume Charge per 1,000 Gallons - Residential & Multi-Family						
	Gallons Used	Current	Proposed	Proposed	Proposed	Proposed	Proposed
		2014	2015	2016	2017	2018	2019
Block 1	0 - 5,000	\$ 3.65	\$ 3.75	\$ 3.94	\$ 4.14	\$ 4.31	\$ 4.44
Block 2	5,001 - 10,000	4.56	4.68	4.91	5.16	5.37	5.53
Block 3	15,001 - 25,000	5.70	7.03	7.38	7.75	8.06	8.30
Block 4	Over 25,000	8.55	10.54	11.07	11.62	12.08	12.44

Customer Class	Water Monthly Volume Charge per 1,000 Gallons - Commercial & Irrigation						
	Gallons Used	Current	Proposed	Proposed	Proposed	Proposed	Proposed
		2014	2015	2016	2017	2018	2019
Commercial	All Usage	\$ 5.73	\$ 6.02	\$ 6.32	\$ 6.64	\$ 6.91	\$ 7.12
Irrigation	All Usage	6.03	6.33	6.65	6.98	7.26	7.48

The average residential customer uses about 8,500 gallons of water monthly on an annual basis, of which about 4,500 gallons represents irrigation consumption and 4,000 represents interior consumption. For this average customer, these rates represent an increase in 2015 of approximately \$1.50, or 2.7%, per month. For all customers, the average increase will be approximately \$2.02, or 4.0%, per month. Increases in 2016 through 2019 will be 5.0%, 5.0%, 4.0% and 3.0%, respectively.

Wastewater Enterprise Fund Rate Study

The goals of the rate study are to determine the revenue needed to cover annual operations and maintenance costs and capital improvement projects, meet debt service requirements, provide for sufficient operating reserves and maintain the utility's self-sufficiency over a 5-year period.

The rate study for the Wastewater Enterprise Fund used the following assumptions:

Residential growth: 400 taps per year

Target Reserves: 90 days of operations

Debt Service Coverage: 1.1x (net revenues divided by annual debt service payment)

The Wastewater Rate Study provides recommendations for changes in the tap fee to meet the goals of the study. No change to monthly user rates is required.

Wastewater Tap Fee: The tap fee is collected on all new residential and non-residential construction that requires connection to the wastewater system. The fee is a one-time charge to the customer for their proportional share of capacity of the system infrastructure. The fee is used to defray the capital costs of expanding the system facilities and to recover the cost of growth to the system. Below is a schedule of current and proposed wastewater tap fees.

Meter Size	Wastewater Tap Fee	
	Current	Proposed
3/4 inch	\$ 4,290	\$ 5,200
1 inch	7,150	8,667
1 1/2 inch	14,300	17,333
2 inch	22,880	27,733
3 inch	42,900	52,000
4 inch	71,500	86,667
6 inch	143,000	173,333

ORDINANCES (continued)

Storm Drainage Operating Fund Rate Study

The Town currently charges a monthly \$5.00 fee to all customer classes to support the operations of the Storm Drainage Operating Fund. This fee has not changed since 2004 and is not adequate to support operations and future capital needs. In addition, most municipalities assess storm drainage fees based on the amount of impervious square footage the customer has rather than charging a flat fee. As a result, the rate study recommended changing the rate structure to assess a monthly fee based on the impervious square footage. The proposed monthly fee basis will be established at \$5.41 per Single Family Residential Equivalent (SFRE) for 2015. Based on analysis performed in the rate study it was determined that the average single family residence in Erie has approximately 5,300 square feet of impervious square footage (which includes the house, driveways, sidewalks and similar surfaces), defined as an SFRE. All single-family residences will be charged the same monthly fee - \$5.41 for 2015. Commercial customers will be charged on the basis of how many SFRE's their property has and billed on that basis. For example, if a commercial customer has 15,900 square feet of impervious area, they will be billed \$16.23 per month in 2015 (15,900 square feet divided by 5,300 square feet = 3 times \$5.41/SFRE = \$16.23). The average commercial customer will be charged approximately \$45.00 per month in 2015 as a result of the rate study recommendation. The proposed rate per SFRE is as follows:

	Storm Drainage Monthly Charge per Single Family Equivalent (SFRE)					
	Current (a)	2015	2016	2017	2018	2019
Rate per SFRE	\$ 5.00	\$ 5.41	\$ 6.60	\$ 8.05	\$ 9.82	\$ 11.98

(a) Current charge is a flat rate for all customer classes.

As a result of this proposed change, irrigation customers will no longer be charged a monthly storm drainage fee. Multi-family customers will be charged at the same rate as a single-family residence.

Summary

As a result of the above recommended changes, the "average" residential customer would see average water, wastewater and storm drainage monthly charges approximating the following:

	Water	Wastewater	Storm	Total	\$ Change	% Change
2014	\$ 56.50	\$ 48.48	\$ 5.00	\$ 109.98		
2015	58.00	48.48	5.41	111.89	1.91	1.7%
2016	60.90	48.48	6.60	115.98	4.09	3.7%
2017	63.95	48.48	8.05	120.48	4.50	3.9%
2018	66.51	48.48	9.82	124.81	4.33	3.6%
2019	68.51	48.48	11.98	128.97	4.16	3.3%

Action: This was the First Reading of Ordinance 36-2014 and it will be brought back for Board action at the November 11, 2014 regular meeting.

ORDINANCES (continued)

- c. **Ordinance 37-2014; An Ordinance Of The Board of Trustees Of The Town Of Erie, Colorado, Authorizing, Approving And Directing The Execution And Delivery Of A First Amendment To Lease Purchase Agreement Relating To Adjustable Rate Certificates Of Participation, Series 2010, Approving The Forms Of A Remarketing/Certificate Purchase Agreement, And Continuing Disclosure Certificate, And Affirming Other Actions Taken In Connection Therewith; And Declaring An Emergency.**

Steve Felten, Director of Finance presented staff recommendations for the approval of Ordinance 36-2014. In 2005 the Town of Erie and the Town of Erie Finance Corporation ("TEFC") entered into various agreements in order to acquire 2,639 Colorado-Big Thompson Units (i.e., water rights), financed through the issuance of \$32.0 million in certificates of participation (the "2005 COP's"). In 2010 the 2005 COP's were refinanced with Wells Fargo Bank (the "2010 COP's"). The 2010 COP's carry a fixed rate of 2.70% through September 30, 2015, at which time the 2010 COP's, by their terms, would convert to a floating interest rate, set weekly. At that time Wells Fargo Bank also has the right to require full repayment of the 2010 COP's. The Town and Wells Fargo also entered into a Continuing Covenant Agreement pursuant to which Wells Fargo required the Town to use its best efforts to obtain alternative financing for the 2010 COP's prior to September 30, 2015. In order to take advantage of current low market interest rates and to eliminate the refinancing risk the 2010 COP's entail, the Town, in conjunction with TEFC, plans to take advantage of certain rights pursuant to the 2010 COP's to in effect refinance the 2010 COP's on a long-term basis. With the Board's approval, the Town will execute various agreements that will allow obtaining a long-term fixed rate on the 2010 COP's. The 2010 COP's will be purchased from the current holder – Wells Fargo Bank – and remarketed by Stifel, Nicolaus & Company to new holders. The 2010 COP's will carry fixed rates and will have maturities extending through 2040. Pricing of the transaction is currently targeted for November 6th, with an expected net effective interest rate of 4.00% or less. Closing of the transaction is expected to be December 1, 2014. In order to take advantage of current market rates and to expedite the transaction, declaration of an emergency and passing on first reading is requested.

Action: Mayor Pro Tem Gruber moved to suspend Resolution 02-44 and pass Ordinance 37-2014 as an emergency and on a first reading; the motion was seconded by Trustee Schutt. The motion carried with all present voting in favor thereof.

Action: Trustee Charles moved to approve Ordinance 37-2014 on an emergency first reading; the motion was seconded by Trustee Moore. The motion carried with all present voting in favor thereof.

IX. GENERAL BUSINESS

- a. **Budget Study Wrap**

Steve Felten, Director of Finance presented a summary of the final budget for 2015 to be presented to the Board for approval at the November 18, 2014 Special Meeting.

X. BOARD OF TRUSTEES REPORTS

Trustee Charles reported that the Town had received two applications for the vacancy on the Historic Preservation Board and that the HPB recommended the appointment of David Snow.

Action: **Trustee Charles moved to appoint David Snow to the Historic Preservation Board; the motion was seconded by Mayor Pro Tem Gruber. The motion carried with all present voting in favor thereof.**

Mayor Pro Tem Gruber went to a CML policy committee meeting, and asked for a status on the Veladrome's requests, the Town Administrator said that the Town is still waiting for additional information from the owners of the project.

XI. ADJOURNMENT

Action: **Trustee Charles moved to adjourn the October 28, 2014 Regular Meeting of the Town of Erie Board of Trustees; the motion was seconded by Trustee Schutt. The motion carried with all present voting in favor thereof.**

Action: **Mayor Harris adjourned the October 28, 2014 Regular Meeting of the Town of Erie Board of Trustees at 11:15 p.m.**

Respectfully Submitted,


Nancy J. Parker, CMC, Town Clerk


Tina Harris-Mayor

